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PERSPECTIVE ON ASIA:
THE NEW U.S. DOCTRINE
AND SOUTHEAST ASIA

REPORT OF
Senator MIKE MANSFIELD
TO THE
COMMITTEE ON FOREIGN RELATIONS
UNITED STATES SENATE



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(II)

LETTER OF TRANSMITTAL

SEPTEMBER 13, 1969.

Hon. J. W. FULBRIGHT,
Chairman, Committee on Foreign Relations,
U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: Several months ago, President Nixon proposed that I consider traveling to Cambodia in connection with the resumption of relations with that country after a 4-year interruption. Upon his return from Asia and Rumania, the President repeated the proposal and discussed visits to other countries to study reactions to his new Asian doctrine. I advised him that I would go both as his representative and as a member of the committee. Letters to this effect were subsequently exchanged between the President and myself. The President notified the heads of states of the countries to be visited of my impending journey.

I left Washington for Southeast Asia on August 13. Returning to the United States on August 27, I went to the western White House in San Clemente to discuss my findings with the President and to give him a confidential written report. Additional reports on special situations which came to my attention have since been sent to him. Transmitted herewith is a public report to the committee along the lines of the report given the President on my return. The latter report contains a number of specific recommendations for carrying into effect the new doctrine on Asia which it seemed appropriate to me to give to the President in confidence.

This mission for the President, and as a member of the committee, took me to the Philippines, Indonesia, Burma, Cambodia, and Laos with brief stops in Okinawa and Japan. In the Philippines, I spent many hours in private conversation with President Ferdinand E. Marcos and with Gen. Carlos P. Romulo, the Secretary of Foreign Affairs. I had a long conversation with Indonesian President Suharto in Djakarta and met with Prof. Seno Adjie, Minister of Justice and Acting Foreign Minister at the time of my visit, Ismael Thajeb, Director General for Foreign Economic Relations in the Foreign Ministry, and Speaker Sjaichu and Vice Chairman Maj. Gen. Dr. Sjarif Thajeb, of the Parliament. In Burma, General Ne Win received me most cordially for a private talk, and I also called on Col. Maung Lwin, Burma's new Foreign Minister.

Prince Norodom Sihanouk, designated as a state visit my stay in the Cambodian capital of Phnom Penh. The Chief of State extended to me, as the President's representative, what was a very warm personal welcome and a striking initiative of cordiality toward the United States. While in Cambodia, I also met with Gen. Lon Nol, the new Prime Minister, and Foreign Minister Prince Norodom Phurissara as well as an old acquaintance, the distinguished retired statesman, Mr. Penn Nouth.

(III)

My brief visit to Laos provided me with an opportunity to have a private talk in Vientiane with Prince Souvanna Phouma, Prime Minister of the Government of National Union. In the royal capital of Luang Prabang, I met with King Sri Savang Vatthana. In addition to these meetings and conversations, members of my party and I met with other officials, journalists, and observers in each of the visited countries.

I was accompanied to Asia by Mr. Francis R. Valeo, the Secretary of the Senate, and Mr. James G. Lowenstein of the Committee on Foreign Relations. Mr. Kenneth R. Calloway, a consultant to the Department of State, and Mr. Paul Kelly of the U.S. Embassy in Manila (who traveled with my party while in Asia), handled administrative arrangements. To all of them I am most grateful for their diligence in the carrying out of my requests in connection with the mission. I also wish to thank the Air Force for permitting Col. Frank A. Goss, U.S. Air Force (MC), to accompany the party and for making available special transportation for the greater part of the journey.

Our embassies and other offices abroad were most helpful and cooperative. I would like to record, in particular, my gratitude to Mr. James M. Wilson, Jr., the chargé d'affaires in the Philippines, Ambassador Francis J. Galbraith in Indonesia, Ambassador Arthur W. Hummel, Jr., in Burma, Mr. Lloyd M. Rives, the new chargé d'affaires in Cambodia, and Ambassador G. McMurtrie Godley in Laos. Their assistance, and that of their staffs, was of great value to me. In addition, I would note the courtesy, the information, and the excellent administrative support provided by Minister Edwin W. Martin and the staff of the consulate general in Hong Kong where the major portions of my confidential report to the President and this report were prepared. Finally, I wish to thank Lt. Gen. James B. Lampert in Okinawa and Ambassador Armin H. Meyer in Japan for the valuable briefings which they provided to me.

Sincerely yours,

MIKE MANSFIELD.

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PERSPECTIVE ON ASIA: THE NEW U.S. DOCTRINE AND SOUTHEAST ASIA

I. INTRODUCTION

The end of World War II saw the military forces of the United States heavily engaged in the Western Pacific but massive strength had not been committed to the Asian mainland. To be sure, there were U.S. contingents in South Korea and in China. These troops, however, were being withdrawn as rapidly as possible, consistent with the orderly taking of the surrender and the U.S. share of responsibility for the allied military occupation of Japan and Korea.

On mainland Southeast Asia and in the surrounding seas the forces of the prewar European colonial powers were found again. The French returned to Indochina which then encompassed protectorates in Cambodia, Laos, and Vietnam; British forces reentered Singapore, Malaya, and Burma; and Dutch forces landed in the East Indies, the former colony of islands which is now the Republic of Indonesia. The U.S. military involvement in Southeast Asia was confined almost entirely to those forces which had been engaged in the liberation of the Philippines.

The postwar period saw vast political upheavals in the Western Pacific. Independence came to great numbers of people. In some cases, it was gained easily; in others, only after bitter struggle. A Communist Chinese regime took control of the most populous nation in the world at a time when the Soviet Union was extending domination over Eastern Europe. During 1948 and 1949, the Communist coup d'etat in Czechoslovakia, and the Soviet blockade of West Berlin, coincided with the completion of the conquest of the Chinese mainland by the People's Liberation Army. In June of the following year, North Korean forces crossed the 38th parallel in an invasion of the south and were engaged by South Koreans and, then, by U.S.-U.N. forces. In November, Chinese Communist troops entered that conflict.

The agglomeration of these events, all occurring within a short span of time, stimulated the United States to a heavy involvement on the mainland of Asia. Over the years, this involvement has taken the form of enormous expenditures for economic and military assistance, U.S. treaties and other pledges of support and, finally, commitments of U.S. combat forces to the determination of the course of developments in that region.

Today, there are treaties and executive agreements and an accumulation of decisions of the executive branch which enmesh this Nation deeply in the affairs of Southeast Asia. In consequence, there are over 500,000 U.S. troops in South Vietnam and 50,000 in Thailand. In the general area and at least partially connected with our involvement in Southeast Asia are 40,000 men in Japan; 45,000 in Okinawa;

10,000 in Taiwan; 60,000 in the 7th Fleet; 30,000 in the Philippines and additional thousands on Guam—in all, a figure approaching 800,000.

Whatever the initial validity of these immense commitments, there is growing doubt as to whether it is wise or beneficial for this Nation and the countries concerned to perpetuate the present state of affairs. In the first place, the independence of Asian countries would be hollow indeed if it involved merely an exchange of a past colonial status for the indefinite prop of U.S. support. From our own point of view, moreover, the United States is feeling the adverse effects of the prolonged expenditure of lives and enormous resources and energy abroad, most of it in Vietnam and Southeast Asia.

In the interim, needs at home have been neglected—needs which are too obvious and omnipresent to require cataloging. They are all around us whether we live in cities or on farms, whether our homes are in New York, Washington, California, the Midwest, or Montana. The solution of these problems—whether they involve equality of treatment or pollution of air and water, or education, or public safety, or transportation and roads, or whatever—will require great and sustained inputs of initiative and attention at a time when these assets are heavily diverted abroad. They will also require substantial public funds in a period of inflation and of heavy tax burdens which result in large measure from military expenditures overseas and, notably, from the war in Vietnam.

While urgent needs at home are neglected, there is deep concern over the war in Vietnam which is still without an end in sight. The conflict continues to result in additional American dead and wounded every week and in expenditures at the rate of about \$3 million an hour. Moreover, elsewhere in Southeast Asia there are shadow wars and the pockmarks of violent internal dissension. That these situations, under our present course, might evolve in the pattern of Vietnam gives rise to further concern.

Doubts as to our past Asian approach are also fed by the visible consequences of the mass entry of American soldiers, money, and official establishments into Southeast Asia. To be sure, this entry has brought a great inflow of wealth and modern technology. In some places, however, little that is constructive is visible as a result. The very magnitude of the American involvement, emerging as it has in a short span of time, has imposed an almost indigestible alien presence and precipitated severe cultural convulsions.

To date, we have acted on the scale that we have in Southeast Asia largely to support small nations against what has been calculated as the threat of Communist aggression—notably from China. In fact, there was little expression of fear in any of the countries visited of an attack or invasion from China. Considerable concern does exist, however, that internal insurgent movements whose origins lie in local grievances or conflicts will be used as spearheads of influence by China or by North Vietnam. The principal threat to most existing governments in Southeast Asia, in short, seems to arise from within Southeast Asia at this time.

It seems to me that our presumption of a primary danger to the Southeast Asian countries, which they themselves do not perceive, does not provide a sound basis for U.S. policy. Rather, it tends to

create for this Nation the role of self-appointed, great power protector in an area in which a militant young nationalism speaks the common language of resistance to foreign intrusion. It is sobering to recall, in this connection, that this Nation has never been an Asian power and, in my judgment, it is essential to avoid a further glissade into that ill-fitting role. Our vital interests with respect to the Asian mainland have always been peripheral. They are peripheral now. They are likely to remain peripheral in the future.

On the other hand, we have been and will continue to be a Pacific power. Vital national interests are, indeed, lodged in that ocean. Four of our States border on the Pacific. In addition, one of them, Hawaii, lies in the middle of that vast expanse of water. We have territories and dependencies all over the Pacific. The Aleutian Islands are part of the State of Alaska. American Samoa, Guam, Wake, Johnston, Midway and the Howland, Baker, and Jarvis Islands are dependencies of the United States. The Trust Territory of the Pacific Islands, which we have administered since the end of World War II, comprises over 2,000 islands and atolls with a land area of 678 square miles scattered over 3 million square miles of the Pacific.

As a Pacific power, we have and will continue to have a profound interest in what transpires in the western reaches of the ocean. In my judgement, however, that interest can best be expressed not by our immersion in the region's internal political affairs but by an orderly shift to a restrained and judicious participation, as one Pacific nation among several, in its peaceful development.

Indeed, it is difficult to discern any other reasonable course for this Nation in present circumstances. It is a new day in Asia. The age in which foreign military dominance of any Asian people was a practical possibility has long since ended. Even the postwar period of one-sided dependency—most of it on the United States—is drawing to a close. Civilized survival, not to speak of peace and progress in the Western Pacific, may well depend on the timely emergence of a new age of cooperation based on equality and on a mutuality of responsibility, respect, and tolerance between this Nation and all the states of Asia.

II. THE PRESIDENT'S NEW ASIAN DOCTRINE

In the course of his recent trip, President Nixon enunciated in the Guam Declaration a new approach to Asia and the Western Pacific which seems to me to take cognizance of the considerations that are outlined in the introductory section of this report. The President's Asian doctrine contains the following percepts, as I understand them and as I interpreted them to various Asian leaders:

1. The United States will maintain its treaty commitments, but it is anticipated that Asian nations will be able to handle their own defense problems, perhaps with some outside material assistance but without outside manpower. Nuclear threats are another matter, and such threats will continue to be checked by counterpoised nuclear capacity.

2. As a Pacific power, the United States will not turn its back on nations of the Western Pacific and Asia; the countries of that region will not be denied a concerned and understanding ear in this Nation.

3. The United States will avoid the creation of situations in which

there is such great dependence on us that, inevitably, we become enmeshed in what are essentially Asian problems and conflicts.

4. To the extent that material assistance may be forthcoming from the United States, more emphasis will be placed on economic help and less on military assistance.

5. The future role of the United States will continue to be significant in the affairs of Asia. It will be enacted, however, largely in the economic realm and on the basis of multilateral cooperation.

6. The United States will look with favor on multilateral political, economic, and security arrangements among the Asian nations and, where appropriate, will assist in efforts which may be undertaken thereunder.

III. REACTIONS TO THE NEW ASIAN DOCTRINE

Achievement of many of the objectives stated above involves a reduction in the U.S. presence in Southeast Asia. While this report does not deal with Vietnam, it is obvious that the war there is the main cause of the massive dimensions which the U.S. presence has attained. That the possibilities of diminution are bound up with the end of that tragic conflict does not mean that application of the new doctrine must await the war's termination. Quite apart from Vietnam, there are other areas where contractions may be possible. Most immediately, under the new approach there is the possibility of curbing what seem to be built-in tendencies in the many-sided U.S. establishments in Asia to expand the U.S. presence.

In general, the leaders of Asian countries agree that the role of the United States in Asian affairs should shrink. Some uneasiness does exist that the pendulum will swing too far, from overinvolvement to noninvolvement. The fear is that the United States may leave the smaller Asian states in isolation and under the shadow of one or another more powerful neighbor.

There is also some uncertainty as to what the new doctrine will mean in specific terms. This uncertainty is understandable since there was not, at the time of my visit, any sign of a followthrough to the new doctrine. Indeed, other than the transient stimulus of the President's recent personal appearance, little, if any, change was visible. The concepts, practices, and programs by which U.S. missions in Asia have operated for many years remain the same.

Notwithstanding the President's recent visit and Presidential statements to the contrary, some U.S. missions still expect this Nation to continue as a major military factor in Southeast Asia after the conclusion of the war in Vietnam. Developments within Southeast Asian countries are still referred to as "vital" to this Nation's interests, "vital" implying more of a commitment than can be derived from a reasonable reading of the President's new approach. Ironically, in some U.S. embassies an inconsistency is not seen between budgetary requests for greatly increased U.S. bilateral assistance and, hence, greater U.S. participation in the indigenous situation, on the one hand, and the administration's new doctrine on the other.

In short, there is no indication, as yet, of when or how the size of the U.S. presence in Asia is to be reduced in any significant degree. It is a fact that the only reductions contemplated at the time of my visit were those which might result from a continuance of periodic blanket

percentage cuts in personnel. These cuts were begun more than a year ago, not as a matter of policy so much as a measure of economy and as a palliative for balance-of-payments concerns.

It would appear, therefore, that the first order of business under the new doctrine is to see to it that the President's new concepts are reiterated and thoroughly explained throughout the U.S. departments and agencies concerned and that they are disseminated among all U.S. officials in Southeast Asia. It would appear, too, that directives which are both clear and firm will have to emanate from Washington if these concepts are to be applied effectively and with necessary dispatch by U.S. missions in Southeast Asia.

IV. THE NEW DOCTRINE AND SOUTHEAST ASIAN COUNTRIES

A. *The Philippines.*

Since the establishment of the Republic of the Philippines in 1946, the interaction of policy between that nation and the United States has been deeply influenced by a "special relationship," a phrase which is subject to two interpretations. On the one hand, it connotes the emotional interplay between the two countries which stretches back over more than half a century. This "special relationship" began, in fact, with a degree of hostility in the conflict over the annexation of the Philippines by the United States. Gradually, however, the relationship developed mutual trust, and it was finally welded by the shared dangers, horrors, and triumphs of World War II, and the U.S. pledge of independence to the Philippines, into a strong and sympathetic mutual attachment.

"Special relationship" also refers to a carryover of concessions in trade and commerce and the preferential treatment of U.S. nationals in the Philippines from the preindependence period. In the same vein, the term also describes the vested military privileges which are enjoyed by the Armed Forces of the United States in the Philippines. These privileges were assumed during the period of U.S. rule of the Philippines, and they have been extended, with some modifications, under the lease arrangements by which the United States continues to occupy a great military base complex in the Philippines.

It is perhaps not generally realized that there are about 30,000 U.S. military personnel in the Islands, and over 25,000 dependents. Over 100,000 Filipinos and U.S. civilian employees work on our military bases in the Philippines, the U.S. Department of Defense being the second largest employer in the Philippines, coming only after the Philippine Government itself. The Clark Field lease, which covers over 132,000 acres, and the Subic Bay installation are among the largest U.S. military holdings anywhere in the world. Last year, U.S. Government spending in the Philippines amounted to about \$270 million, over half of which was for outlays in connection with the military bases.

With regard to special economic rights, U.S. investors are the only foreigners in the Philippines presently permitted to own a controlling share of companies engaged in the exploitation of natural resources and in the operation of public utilities. In addition, the Laurel-Langley agreement of 1955 which amended the trade agreement of 1946 provides preferential tariff treatment on trade between the two nations and, of special benefit to Philippine commerce, guaranteed

access within a quota to U.S. markets for sugar and cordage as well as duty-free quotas on certain other products.

The close integration of the Philippine economy with that of the United States now shows signs of diversification. Japanese and Europeans, for example, have come to assume an increasingly important role in Philippine trade. In fact, Japan has now become the chief supplier of Philippine imports. There are also some initial explorations being made with regard to the possibilities of trade with Communist nations, although Philippine relations with these countries are still far more circumscribed than our own.

Last year, the Philippine gross national product rose 6.3 percent and the country, employing the new miracle strains, became self-sufficient in rice for the first time in memory. At the same time, however, the Philippines had a \$300 million deficit in international trade incurred in considerable measure because of the import of capital goods for the developing economy. The deficit figure underscores the compensatory significance of both U.S. base expenditures and trade preferences in the present economy of the Philippines.

The carryover of economic privileges has come under press attack in the Philippines in connection with preliminary scrutiny of the Laurel-Langley agreement which is due to expire in 1974. President Nixon's new doctrine would seem to call for a readiness on the part of this Nation to make adjustments in this agreement. There will be difficulties in this connection, to be sure, but there ought not to be insurmountable difficulties. As I tried to specify in my report to the President, the shock of change can be minimized if there is restraint and understanding on both sides.

The administration's new doctrine would also seem to imply a forthcoming attitude with regard to the military base issues. As nations whose futures are interwoven with the peace of the Pacific, the Philippines and the United States have a common interest in cooperating closely in the field of defense. In that sense, the U.S. bases in the Philippines are of great significance to both nations. In the end, however, the value of the bases is dependent not only on our willingness to support them but also on Philippine acceptance of the arrangements which govern their usage. In that connection, it is important to bear in mind that, with the Philippines no longer an island possession of the United States, what transpires on and around the bases is bound to be of direct and deep concern to any Philippine Government.

In my judgment, the continued effectiveness of the bases requires an alertness to national sensitivities, a scrupulous respect for Philippine sovereignty, and close collaboration between the two governments on all matters pertaining to the usage of the bases. In that fashion, the scope and design of our military presence in the Philippines can be made to reflect not only our military needs but, equally, the wishes of the Philippine people.

When President Nixon arrived in Manila, he said:

I hope that we can initiate a new era in Philippine-American relations, not returning to the old special relationships, because the winds of change have swept away those factors, but building a new relationship, a new relationship which will be based on mutual trust, on mutual respect, on mutual confidence, on mutual cooperation.

As he left Manila, he said:

We have a special relationship with the Philippines which will always be in our hearts * * *.

The President's remarks underscore the dual significance of the phrase "special relationship." To recast all that these two words have come to imply into one mutually acceptable meaning will test the sagacity of the policies and the diplomacy of both nations in the period of transition which lies ahead.

B. Indonesia

Indonesia was caught for many years in the crossfire of overstimulated and overstimulating politics, the demands of a large military establishment, and the inevitable dislocations of transition from colonialism to independence. The consequent economic deterioration expressed itself in a runaway inflation, a neglect of agriculture, and a decline in exchange earnings which in former times were derived largely from the export of agricultural commodities and crude raw materials.

The deterioration now appears to be checked in the aftermath of a military seizure of power. At the same time, there has been a shift in Indonesian foreign policy, from dependency on Communist nations for assistance. In the past 2 years, non-Communist nations have provided substantial amounts of aid and an increasing flow of private investment.

The present government of military leaders, economists, and civilian bureaucrats sees the principal problem of the nation to be its rapid economic development. Under the leadership of General Suharto, a patient, modest, and determined man, two 5-year plans have been delineated. The first plan which emphasizes agriculture went into effect as of April 1969. In the second 5-year plan, the emphasis will shift to industrial development.

Significant economic results have already been achieved. The rate of inflation was 635 percent 3 years ago. This year it is expected that the figure can be held to about 25 percent. There has been, as noted, an influx of private foreign capital, with a total of about \$560 million in investments already approved by the Government. This total, which excludes banking and oil, is expected to rise in the next few years to \$1 billion. Of the total approved, U.S. investors will provide \$193 million. Last year alone, U.S. investment was \$50 million, again with the exception of investments in banking and oil. The foreign investment in oil was about \$68 million.

The first 5-year development plan is dependent on an average of \$600 million a year in foreign loans and credits. This sum will be disbursed through the Inter-Governmental Group for Indonesia, a consortium which consists of the International Bank, the International Monetary Fund, Japan, Western European and miscellaneous contributors, and the United States. This Nation has been committed to provide one-third or \$200 million of the annual requirement in 1969. Another third will come from the Japanese, and the remaining third from the Western Europeans, Australians, and minor sources.

The loans will be used under the 5-year plan to rehabilitate existing productive facilities and to initiate new projects. According to advice I received, the loans will not be used to repay old foreign debts which,

with the new liabilities that are being assumed, will soon bring Indonesia's total foreign indebtedness to \$3.5 billion.

Over \$1 billion of the above total is owed to the Soviet Union and other Communist countries. The indications are that the present terms of repayment cannot be met and some sort of new repayment schedule will have to be devised. Since the coup d'etat, however, relations with China and, until recently, with the Soviet Union have been distant.

In addition to providing one-third of the loans through the consortium, the United States has agreed to provide a "fair share" of food aid to Indonesia. This Nation has already in operation a military assistance program which runs to about \$6 million a year. Presently, no lethal military equipment is involved in the program, which is administered not by a Military Assistance Advisory Group, but by a 13-man U.S. defense liaison group. Nevertheless, the program does have some characteristics of a MAAG operation in that it involves training Indonesian officers and support of the Army's civic action and economic rehabilitation activities.

The U.S. agreement to provide loans for the 5-year development plan involves risks, of course, but the risks are shared since the loans are part of a multilateral fund to be channeled through the consortium. In that sense, this particular agreement would appear to be in accord with the President's new approach.

When that is said, however, it should also be pointed out that there has been a tendency for our involvement in Indonesia to grow in a mathematical progression. In fiscal year 1966, for example, all forms of U.S. economic assistance to Indonesia totaled about \$20 million; in 1967, \$59 million. By 1958 the figure was \$103 million and in fiscal year 1969, \$255 million. The overall trend of U.S. participation in the Indonesian situation, in short, has been upward, with the bilateral element in our policies also on the increase.

Part of this increase is explicable in terms of Public Law 480 food aid. It would seem to me that what has been described as our "fair share" of this aid is somewhat out of proportion. In 1969, the United States will provide \$83.8 million of a total of \$135 million. It should be noted that, under present bilateral arrangements, even food aid tends to edge us, bilaterally, into the internal affairs of other countries. Moreover, whatever the beneficial effect in one nation, this aid can have adverse consequences in others. This assistance, to a greater or lesser degree, does compete with the commercial exports of food-surplus nations, notwithstanding efforts to avoid disturbing existing channels of trade.

That is not to say that the use of food as aid should be frowned upon in Indonesia or elsewhere. Rather, it suggests that in this form of assistance as in others, a multilateral approach in which attention can be paid to a wide range of considerations may help to minimize the adverse consequences of this otherwise well intentioned program.

In a more general sense, it would seem that there is also a need for other nations to assume a larger role in assisting Indonesia. In this connection, it is inevitable that Japan be considered as a principal source not only because it is in a period of great economic dynamism, but also because of its regional proximity and the complementariness of its economy with that of Indonesia.

To be sure, Japan does play a major role in the loan consortium. Moreover, Japanese reparations payments which are now being completed have also been a positive factor in the Indonesian economic situation in recent years. However, it must be stated in all frankness that there is some inclination to regard as harsh Japanese terms of trade and investment. Furthermore, the tendency of this investment to concentrate in extractive industries is seen in some quarters as making an insufficient contribution to the development of a diversified industrial economy. Finally, there is encountered some uncertainty over the implications of the enormous and growing gap which exists between the highly sophisticated Japanese economy and the level of economic development not only in Indonesia but elsewhere in Southeast Asia.

Unless set to rest, these various concerns do not augur well for plans for cooperative regional development. Such plans are invariably predicated upon and, indeed, would appear to require a vigorous Japanese participation if they are to be successful.

C. Burma

The Burmese Government continues to go its own way as it has for many years. It is neither overawed by the proximity of powerful neighbors nor overimpressed by the virtues of rapid development through large infusions of foreign aid. Burma's primary concern is the retention of its national and cultural identity and the development of an economic system preponderently by its own efforts and along its own lines.

This almost passionate emphasis on "Burmanization" and the "Burmese way to socialism" can best be understood against the background from which contemporary Burma emerged. Under the previous colonial status, control of the machinery of the economy was divided largely among British, Chinese, and Indians. Free enterprise in Burma meant, largely, foreign enterprise. For the most part, Burmese nationals were, in effect, bystanders and subordinates in the development of their own country.

With the exception of agriculture, the economy of Burma is presently closely managed by the state. All economic activity has been nationalized, except farming and the operation of some buslines, taxis, restaurants, and small industrial enterprises. But to reiterate, where the state now exercises authority in the economy, it has replaced not so much Burmese private enterprise as a former alien dominance.

While curbing foreign economic power, the Burmese Government has also sought to insulate the country from the conflicts of the great powers. This policy has involved maintaining a proper neutrality and rather reserved diplomatic relations with all states. The approach has been applied not only to the United States but also to China, the Soviet Union, and other nations.

It would be erroneous, in my judgment, to view the Burmese attitude in this respect as an indication of hostility to any nation. Rather, it arises from a concern lest foreign influence overwhelm Burmese culture or otherwise become a disrupting factor in the nation's affairs. In view of what has transpired elsewhere in Southeast Asia, it cannot be said that the concern is without foundation.

Moreover, the Burmese internal situation is still vulnerable to foreign power intrusion. In the first place, there are extreme political and personal conflicts among Burmese nationalists which have been throttled rather than modulated. Some armed insurgency continues in border areas inhabited principally by ethnic non-Burmese. Small armed Communist factions are active, as they have been for decades. The Burmese Government does not appear overly disturbed by the possibility of aggression from China.

The Burmese economy has had difficulties, notably with the export of the rice surplus, the principal source of foreign exchange earnings. As already indicated, these difficulties are not unrelated to U.S. food-aid distributions to Indonesia and other nations in Asia. On the other hand, there is still a residual flow of U.S. aid to Burma. It involves, as it has for several years, the final utilization of U.S. funds which were appropriated a long time ago for college buildings in Rangoon, a water and sewerage system, and a large teak mill.

Burma has also received some military equipment from the United States under a sales arrangement negotiated in 1958 at the request of the Burmese Government and subsequently extended in 1961. The agreement enables Burma to buy at greatly reduced prices, and it also involves some training of Burmese military personnel by mobile training teams from the United States. The program, which is supervised by a U.S. Military Equipment Delivery Team, has only 2 more years to run. While no particular interest has been indicated in its continuance beyond that date, the U.S. military mission in Rangoon shows no sign of contraction. Almost half of all official U.S. personnel in Burma (91 employees) are with the Military Equipment Delivery Team or the office of the defense attaché.

Under the President's new doctrine, it seems to me that the cloth of our policy should be cut more precisely to fit the Burmese pattern. Admittedly, the adjustment will not be easy. In one important sense, for example, present Burmese attitudes do not dovetail with the new doctrine. The Burmese Government is not generally disposed to favor regional economic organizations, as they have so far evolved. The Asian Development Bank, for example, is regarded essentially as a non-Asian institution because of the heavy role of countries from outside the region. The Bank is also seen not as a unifying factor but, possibly, as a divisive element. From the Burmese point of view, the Bank's resources are so limited that there is bound to be severe competition among the small Asian nations for a share of the Bank's favor.

In other respects, however, attitudes would appear to be very much in harmony with the new doctrine. The wish to remain outside of great power conflicts, for example, should not only be respected, but should be sustained by our practices. It would seem to me, therefore, that in the absence of indications to the contrary, the vestiges of the economic aid program which have been an inordinate time in liquidation, should be terminated without further delay and in a manner which accords with the wishes of the Burmese Government. The termination of the military sales program, too, should be anticipated and, in preparation therefore, a commensurate reduction in our official military representation should begin to be made now.

These changes would not preclude in any way an increase in direct contact of reciprocal benefit between Burma and the United States in other fields. It should be noted, in this connection, that some modest steps have been taken by the Burmese Government to encourage foreign tourism, a most welcome initiative.¹ Other exchanges of a peaceful nature in many fields would be in order. We should, it seems to me, be ready to give encouragement to all forms of mutually beneficial cultural contacts with Burma. To the degree that it is desired we should work with the Burmese Government to stimulate not only tourism but trade, educational, professional, and technical collaboration between the peoples of the two countries.

D. Cambodia

After a 4-year interruption, relations were reestablished between Cambodia and the United States in July, following a U.S. declaration recognizing and respecting Cambodia's frontiers.² This declaration was, in effect, a preliminary to dealing through diplomatic processes with issues which have arisen from the war in Vietnam to distort and disturb the Cambodian-United States relationship for many years. There are, for example, on the one hand, the air forays from South Vietnam into Cambodia which have resulted in the loss of the lives of Cambodian men, women, and children as well as property damage. On the other hand, there has been the concern of the U.S. command in Saigon that Cambodian territory was serving as a haven for the enemy and, hence, contributing to the losses and the difficulties of U.S. forces in South Vietnam.

Regrettably, both charge and countercharge have had validity. It is a fact that border areas which are difficult of access even from within Cambodia have been used by enemy forces, certainly for the care of sick and wounded and for the infiltration of men and supplies. This usage has occurred notwithstanding Cambodia's intense desire to close its territories for this or any related purpose to all alien elements. Indeed, the recent surfacing of small so-called Red Khmer units which are sustained by outside support and, far more serious, the increasing appearance of armed North Vietnamese and Vietcong on Cambodian soil is of great concern to the Cambodian Government. Nevertheless, with one of the smallest armies in Southeast Asia and with extensive borders there is little that Cambodia can do to prevent incursions. While the war goes on, therefore, the danger is acute of an ever increasing Vietnamese spillover, whether for asylum from the conflict or for other purposes. Even removal of Vietnamese armed bands and stragglers already in Cambodia will present serious difficulties at the end of the war.

In the circumstances, the keystone of Cambodian policy is the achievement of the firmest possible international guarantees of the integrity and security of its frontiers by the time peace is restored. To that end, the Cambodian Government has sought, and already obtained, assurances of the recognition of its existing borders from the Soviet Union, the United States, China, France, the United Kingdom, and many other nations. Phnom Penh has also received similar acknowledgements of its borders from both North Vietnam and the Provisional Revolutionary Government in South Vietnam and, in turn,

¹ Tourist visas are now authorized for 72 hours in lieu of the 24-hour limit which prevailed for many years.
² My visit to Cambodia came 1 week after the arrival of the new U.S. charge d'affaires, Lloyd M. Rives.

has established relations with them. However, it has never been able to obtain such assurance from any of the chain of governments in Saigon beginning with that of Ngo Dinh Diem and continuing down to the present.

Cambodia now enjoys an effective and close relationship with France, the former colonial power. It also has good and active relations with many European, Asian, and other countries. With the Soviet Union, Cambodian relations are proper and, in the case of China, they are again more friendly after a temporary lapse.³

With the United States, Cambodia now seeks to build, in my judgment, a relationship of mutual respect and mutual tolerance. Notwithstanding the war in Vietnam, it would seem that the prospects of such a relationship are enhanced by the President's new approach and the understanding with which it has been received by Prince Sihanouk.

It should be noted that the Prince's personal role in the direction of the affairs of his nation has been enormous. The Prince not only led Cambodia to independence, even before the 1954 Geneva agreements, but his leadership has served ever since to preserve Cambodia's unity and to mobilize its energy in the building of a progressive and peaceful state. While there has been aid from many nations, Cambodia's progress is largely self-generated. Notwithstanding severe pressures, Cambodia has managed to avoid military involvement in the surrounding turmoil. It has been able, too, to absorb ideas from many nations which have enhanced rather than obliterated the fundamental character and quality of the indigenous culture.

The United States and Cambodia are at a threshold that offers an opportunity to make a clean beginning. For the past few years, Cambodia's direct contact with U.S. nationals was limited almost entirely to tourists intent upon visiting the extraordinary ruins of ancient Khmer civilization at Angkor Wat. An occasional official U.S. emissary traveled to Cambodia but there were no regular diplomatic relations, no economic aid program, and no military assistance program.

At the time of my visit, the reopened official U.S. establishment in Cambodia numbered only four persons, about the number present at the time of my first visit to Phnom Penh in 1953. There will be additions to this staff, to be sure, but it would seem most desirable that they be minimal. Certainly, there is no cause for the development once again of an overweening official presence with the extensive paraphernalia of programs that has become so characteristic of official U.S. establishments in Asia during the past decade.

The President took a wise initiative, in my judgment, in moving to restore friendly relation with Cambodia at the outset of his administration. He has acted to curb the spread of the war's devastation and, hence, to forestall an increase in the loss of American lives and the multiplication of the costs of the war in Vietnam.

As I sought to detail in my report to the President, there are steps which can be taken promptly to cement the relationship with Cambodia at the outset of its resumption. In the longer range, however, resumption provides a basis for development of what can be mutually

³ There has been in Cambodia, unlike other Southeast Asian countries, a general tolerance of the Chinese community and an absence of hostility to Chinese commerce. This treatment was predicated, however, on a complete Chinese abstinence from intrusion in Cambodian affairs, a condition which was violated during the Chinese cultural revolution and which led to a prompt and firm reaction by the Cambodian Government.

beneficial cultural, commercial, and other contacts between the peoples of the two nations. The encouragement of Cambodia's revived interest in the Asian Development Bank and other multilateral agencies might also prove helpful in strengthening the concept of regionalism. It will take patience, sensitivity, and restraint but the policies of this nation, in my judgment, can assist in maintaining this oasis of peace in a wartorn Southeast Asia to our benefit as well as to the benefit of the people of Cambodia.

E. Laos

From a decline in involvement after the Geneva accord of 1962, the U.S. presence in that small nation has grown again to disturbing proportions. The reinvolvement is largely in the form of assistance of one kind or another, extended either directly by U.S. agencies or indirectly through private contractors. The cost of reinvolvement is already in the hundreds of millions and is rising. Most seriously several hundred lives have also been lost. Present tendencies in Laos, in short, run directly counter to what should be anticipated from the President's new doctrine.

To be sure, the reinvolvement of the United States in Laos is associated with the war in Vietnam as well as with the continued and spreading military activity of the dissident Pathet Lao. The armed forces of the latter group are now said to number between 15,000 and 20,000. In addition, it is estimated that some 50,000 North Vietnamese are in the country at this time, moving back and forth between the north and south or guarding infiltration routes and lines of supply. The Chinese have recently added armed guards to a road which, by agreement with a former Laotian government, they are building in remote northern Laos but this development does not seem to have stirred any deep alarm in Vientiane.

It is an understatement to note that the Geneva accord of 1962 which provided both for the neutrality of Laos and for an all-Lao Government of the various factions is now in suspension. The prospects for its resuscitation, moreover, are likely to remain grim, especially if the war in Vietnam is not brought to a conclusion in the near future. In present circumstances, the government in Vientiane is unable either to persuade the Pathet Lao to reenter a government of national unity or to prevent a steady accretion in the strength of this dissident movement.

The U.S. response to the worsening Laotian situation has been to condemn the continued presence and addition of North Vietnamese forces in the country and the involvement of Hanoi in support of the Pathet Lao. At the same time, as noted, we have reinvolved ourselves on a bilateral basis to support the government in Vientiane and as a supplement to the war in Vietnam. At best, this course is already costing some American lives and hundreds of millions of dollars, with all signs pointing to an accretion rather than a diminution. At worst, it could lead to the full assumption of a U.S. military role in the pattern of Vietnam—a course which was rejected by this government in 1961-62.

As it is now, the depth of our reinvolvement has already created a dilemma. On the one hand, a collapse in Laos is possible, without the continuance of aid, at least at its present level. On the other hand, the greater our support of the government in Vientiane, the less its creditability as a unifying neutral force for all of the Laotian factions.

Indeed, in present circumstances, it would appear that the King, Sri Savang Vatthana, alone commands a general loyalty throughout the factionalized land. Any political role which he might play in reunification, however, has heretofore been circumscribed by the traditions and practices of the kingdom.

It is difficult to see how the administration's new doctrine can be sustained if there continues to be an increase in U.S. activities in the old pattern in this uncertain and unstable situation. It seems to me that, as a minimum, every effort must be made to avoid any further magnification of the American presence in Laos. Most importantly, any enlarging commitment of U.S. military forces in this remote region must be restrained.

V. CONCLUDING COMMENTS

The President's new doctrine clearly calls for a contraction of the official U.S. presence in Southeast Asia. In some instances, the nations of the region have anticipated this contraction; in all the nations which I visited, there is understanding of its inevitability. Most are ready for the transition and, in general, welcome it, provided the U.S. interest does not disappear suddenly under a tidal wave of national retrenchment or indifference.

The President's doctrine, of course, does not carry in any sense the latter implication. Indeed, only by an utter disregard of our own national interests could we disengage completely our concern from the affairs of the Western Pacific. Without any such abrupt withdrawal, there is ample room for an orderly contraction of the prevailing U.S. presence in Asia. Most pressing, there is an immediate need for restraints on the built-in tendency of the presence to grow.

There is room, for example, for the following:

1. A contraction of bilateral U.S. aid efforts and a shift to expanding U.S. participation in multilateral efforts in the economic development of the region.
2. A rigid and immediate curb on military aid and no deepening of our direct military involvement with any Asian government, to be followed by a reexamination of longstanding treaty commitments and their organizational substructures, notably SEATO.
3. Official encouragement and support of commercial, cultural, technical, and all other forms of nonmilitary interchange on a mutual basis, scaled to the level of the capacity and the clearly expressed desires of the Asian nations.

In my judgment, an interpretation of the administration's doctrine into policies and practices which follow the above lines would be acceptable in most Southeast Asian nations. Nor is it a matter of waiting for the end of the war in Vietnam. To be sure, when this costly and tragic enmeshment is brought to a close, the way will be facilitated for more rapid change. As I have already indicated above, however, and, as I have detailed in specific recommendations to the President in confidential reports, there is much that can be initiated now in order to contract and adjust American activities in Southeast Asia to bring them into line with his Guam Declaration.

It is necessary to reiterate, however, that as of the time of my visit to the region, the President's pronouncements had brought no follow-through in the U.S. missions abroad. Nor did they indicate to me the

receipt of new guidance and instructions from the agencies of the executive branch. It would seem to me, therefore, that if the President's initiative is to precipitate the changes which it promises, there is a need for close collaboration between the responsible officials in the elected administration and the Congress.

As a first step, it would be my suggestion that an immediate freeze be placed on all official personnel increases, military or civilian, in Southeast Asia whether by Presidential order, with strong Congressional support, or, if necessary, by legislation, supported by the President, pending full study of the wide range of functions which are now pursued by U.S. Government agencies in Southeast Asia. Some of these functions which began many years ago appear ill-fitted or ill-scaled to present need. A full examination of this kind might well involve a joint effort of the President and the Congress, or it might involve parallel studies or multiple studies by one or the other. However it proceeds, this study should go forward, in my judgment, without delay. It is essential to the maintenance of a U.S. position in Southeast Asia which is relevant to our national interests, to the interests of the people of Asia and to the peace of the Pacific.

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